

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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CHEMSOL FILES FOR OFFERING. Chemsol, Incorporated, 74 Dod Street, Elizabeth, New Jersey, filed a registration statement (File 2-17471) with the SEC on January 16, 1961, seeking registration of 200,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on an all or none basis by underwriters headed by Godfrey, Hamilton, Magnus & Co., who will receive a commission of 36¢ per share plus \$20,000 for expenses. The principal underwriter has purchased 15,000 common shares from certain stockholders of the company at 50¢ per share.

The company, and its wholly-owned subsidiary, Chemline Corp., are engaged in the businesses of buying and selling and refining by-products of the chemical and petrochemical industries, the manufacture and sale of lime and the neutralization and disposal of chemical and acid wastes, and more recently, the reprocessing of used thermoplastic resins for extrusion manufacturers. The \$495,000 net proceeds of the stock sale will be used as follows: \$350,000 to construct and equip a kiln plant in New Jersey, to convert limestone into quicklime; \$50,000 to purchase additional equipment and inventory for reprocessing of thermoplastic materials; and the balance for general corporate purposes, including working capital.

In addition to certain indebtedness, the company has outstanding 515,000 shares of common stock, of which Marvin H. Mahan, president, owns 367,250 shares, and management officials as a group own 397,250 shares.

PROGRESS WEBSTER ELECTRONICS FILES FOR OFFERING. Progress Webster Electronics Corporation, Tenth Street and Morton Avenue, Chester, Pa., filed a registration statement (File 2-17468) with the SEC on January 13, 1961, seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4.50 per share through a group of underwriters headed by Marron, Sloss & Co., Inc. The underwriters will receive a 45¢ per share commission. The principal underwriter will receive 4 year warrants to purchase an additional 15,000 common shares at \$4.50 per share.

The company (formerly Chester Morton Electronics Corp.) was organized under Pennsylvania law in August 1959 by Progress Manufacturing Company, Inc. to continue the business of its predecessor, Chester Morton Electronics Corporation. Progress Mfg., in exchange for 777,677 shares of the company's common stock, transferred to the company all of the outstanding capital stock of four subsidiaries. Additional consideration for the issuance by the company to Progress Mfg. of the 777,677 common shares included the assignment by Progress Mfg. to the company of certain indebtedness due Progress Mfg. by one of the subsidiaries amounting to approximately \$460,000. The company and its subsidiaries are engaged in the business of manufacturing, distributing and developing electronic equipment and components and related products for residential, commercial and military use, including such items as wire and cable assemblies, audio and power connectors, residential and inter-office communication equipment, electrostatic air cleaners and light dimmer controls. The net proceeds from the stock sale will be added to general working capital for use in carrying an increased investment in inventories, for research and development, the acquisition of additional machinery and equipment and an intensified sales and promotion program.

Progress Mfg. owns all of the 777,777 outstanding common shares of the company. The prospectus lists Ruben F. Rosen as board chairman and Stuart Caine as president. Caine is president and sole stockholder of Chester Morton Electronics Corporation; and Rosen is vice chairman of Progress Mfg.

HOLIDAY INN BIRMINGHAM ASSOCIATES FILES FOR OFFERING. Holiday Inn Birmingham Associates, 375 Park Avenue, New York, filed a registration statement (File 2-17469) with the SEC on January 16, 1961, seeking registration of \$675,000 of limited partnership interests, to be offered for public sale at \$5,000 per interest through Interamerica Securities Corp. Interamerica is wholly owned by Jules Yablok, a general partner of Associates, and will receive a \$446.67 per unit commission.

Associates is a limited partnership organized under New York law in December 1960 for the purpose of purchasing for investment the fee title to the Holiday Inn Motor Hotel located in Bessemer, Alabama, on the main route to Birmingham. Included in the property is the 112-room motel, a gasoline service station and a private house, all on 1½ acres of land. The property is being acquired for an acquisition cost of not more than \$1,549,186.41, payable by taking title subject to mortgages totaling \$399,186.41 and by paying \$550,000 in cash. The capital of the partnership will consist of \$685,000 in cash (\$10,000 contributed by Yablok and Samuel Nadelson, general partners) and \$30,000 in subordinated units which the general and original limited partners (Harvey M. Harrison, O. Taft Nelson, and Lewis F. Gittler) received in consideration of their assignment of the contract to acquire the motel property. Associates will not manage the property, restaurant nor gasoline station. They are to be operated by third parties under leases, and the motor hotel and the entire property will be managed for Associates by Inreco Corporation, an Alabama corporation whose stockholders and principal officers are or will be the general and original limited partners of Associates. Under the management agreement, all net receipts from the operation of the property will be paid by Inreco to Associates in each year of the management agreement until Associates receives 13% of its cash capitalization, i.e., \$89,050 each year. Income earned in excess of \$95,050 per year will be distributed to the subordinated limited partners until they receive \$3,900 per year. If any income is earned by Associates in excess thereof, 65%

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thereof will be distributed to all partners pro rata to their original capital accounts (including subordinated limited partners) and 35% to Inreco as managing agent. The \$675,000 to be received from the general partners' cash contribution and from the sale of additional limited partnership interests will be applied as follows: \$550,000 for the purpose of closing title, including the reimbursement of the deposits under the Purchase Agreement; \$120,000 for the payment to the general partners of costs and expenses connected with the acquisition of the property, organization of Associates, and the registration and offering of the limited partnerships; and \$15,000 as working capital, including closing adjustments.

OPPENHEIMER SYSTEMATIC CAPITAL ACCUMULATION PLAN FILES FOR OFFERING. Oppenheimer Systematic Capital Accumulation Plan ("OSCAP"), 25 Broad Street, New York, filed a registration statement (File 2-17472) with the SEC on January 16, 1961, seeking registration of \$5,000,000 of Monthly Purchase Plan Certificates for the accumulation of shares of Oppenheimer Fund, Inc., a mutual investment fund. The Plans are to be offered for public sale at prices ranging from \$3,000 face value to \$600,000 face value through Oppenheimer & Co., of New York, the sponsor and general distributor of the OSCAP plans.

OSCAP is an investment company of the unit type under the Investment Company Act of 1940 and is registered under that Act. Oppenheimer Management Corporation, all of whose voting stock is owned by Oppenheimer & Co., is listed as the Plan's investment adviser. Max E. Oppenheimer is listed as a general partner of Oppenheimer & Co. and president of Oppenheimer Fund, Inc. and Oppenheimer Management Corp.

WEST TEXAS UTILITIES PROPOSES BOND OFFERING. West Texas Utilities Company, 1062 North Third Street, Abilene, Texas, filed a registration statement (File 2-17473) with the SEC on January 16, 1961, seeking registration of \$8,000,000 of First Mortgage Bonds, Series F, due February 1, 1991, to be offered for public sale at competitive bidding.

The net proceeds from the sale of bonds will be used by the company to pay for a part of the cost of additions, extensions and improvements made and to be made to its electric utility properties, including payment of \$3,600,000 of short-term bank loans incurred for that purpose. Construction expenditures are estimated at \$13,234,000 for 1961 and \$10,929,000 for 1962. Such funds will be provided as follows: \$4,400,000 from the proceeds of the bond sale after payment of the said bank loans, \$7,000,000 from bank loans to be made in 1961-1962, and the remainder from internally generated sources.

GLEN ROSS LIMITED PARTNERSHIP FILES FOR OFFERING. Glen Ross Limited Partnership, 1411 K Street, N. W., Washington, D. C., filed a registration statement (File 2-17470) with the SEC on January 16, 1961, seeking registration of \$677,700 of limited partnership interests, to be offered for public sale at \$2,700 per interest. The offering is to be made on a best efforts basis by Swesnik & Blum Securities Corp., which will receive a selling commission of \$243 per interest sold. Richard H. Swesnik and Herbert Blum, the general partners, are the sole stockholders of the underwriter.

The partnership was organized under Maryland law in December 1960 to acquire the Glen Ross Apartments in Rosemary Hills, near East-West Highway in Silver Spring, Maryland. The apartment project, completed in April 1960, consists of 166 apartment units and one office situated on 8 acres of land. On December 9, 1960 Swesnik and Blum entered into agreement to purchase the apartment project from Jerry Wolman and Anne Wolman. They are to pay the sellers \$595,000 in cash at the time of settlement and are to take title subject to the then unpaid balance on the existing first deed of trust amounting to \$1,270,675. The annual principal and interest payments on the deed amount to \$95,883. The general partners have each received 8 partnership units in exchange for their assignment of all of their right, title and interest in and to the contract for the purchase of the apartment project; and they will be reimbursed in the amount of \$25,000 for their deposit under the purchase contract.

The partnership will employ Swesnik and Blum, Inc., realtors, as management agent at a 4% commission of the gross annual rentals which, according to the prospectus may amount to \$265,326 annually.

JOHN NUVEEN & CO. PROPOSES TRUST FUND OFFERING. John Nuveen & Co., 135 South LaSalle St., Chicago, filed a registration statement (File 2-17474) with the SEC on January 16, 1961, seeking registration of \$5,000,000 of interests (5,000 units) in the Tax-Exempt Public Bond Trust Fund. John Nuveen & Co. is listed as the sponsor and underwriter. The Trust Fund will consist of (1) interest-bearing obligations of states, counties, municipalities and territories of the United States, and authorities and political subdivisions thereof, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law, and (2) such interest income and any proceeds from the sale or other disposition of such obligations. Such "public bonds" have been or will be acquired by John Nuveen & Co. and deposited in the Trust Fund. The offering price of the units will be computed on the basis of the Trustee's evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment), and dividing the sum thereof by 5,000. The fixed percentage will produce an underwriting profit to John Nuveen & Co. for payment of certain expenses and for its compensation as underwriter. No management fee is to be charged to the Trust Fund.

John Nuveen & Co. has specialized in the underwriting and distribution of public bonds exclusively. Laurence L. J. Howe is board chairman, John Nuveen vice chairman, and Chester W. Laing president. The company's directors own 178,467 shares (75.84%) of its outstanding common stock; and all of outstanding stock is owned by directors, officers or employees.

AMERICAN MACHINE & FOUNDRY PROPOSES RIGHTS OFFERING. American Machine & Foundry Company 261 Madison Avenue, New York, today filed a registration statement (File 2-17477) with the SEC seeking registration of \$40,500,000 of Convertible Subordinated Debentures due March 1, 1981. The company proposes to offer the debentures for subscription by its stockholders on the basis of \$100 principal amount of debentures for each

20 shares of common stock held. Eastman Dillon, Union Securities & Co. heads the list of underwriters. The record date, subscription price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries manufacture, sell and lease a diversified range of products for consumer and industrial use in the following categories: AMF Automatic Pinpointers and bowling equipment; other recreational products; tobacco machinery; bakery equipment; electrical products for industrial use; products for the petroleum industry; and other products, principally for industrial use. In addition, the company and its subsidiaries perform a substantial amount of contract engineering and manufacturing, relating principally to the defense program of the United States.

The net proceeds from the sale of the debentures will provide additional working capital to finance the company's expanding business and will be applied to the payment of all outstanding short term loans, which at December 31, 1960 aggregated \$31,000,000 (compared with \$15,500,000 on December 31, 1959). Such loans were made to meet the cash requirements of the company's increased investment in inventories, accounts receivable and overseas operations.

In addition to various indebtedness and two series of preferred stock, the company has outstanding 7,769,090 shares of common stock, of which management officials as a group own 150,459 shares. Carter L. Burgess is listed as president and Morehead Patterson as board chairman.

SECURITIES DISTRIBUTORS REGISTRATION REVOKED. In a decision announced today (Release 34-6449), the SEC revoked the broker-dealer registration of Securities Distributors, Inc., 37 Wall St., New York. The revocation was based upon federal and state court injunction decrees issued against the company.

The federal court injunction, entered on December 16, 1959 against the company, Rolf Wurtz, its president, and other officers and agents of the company, was based upon an SEC complaint charging violations of its net capital rule. The court order enjoined the continued conduct of a securities business by the company while it has a net capital deficiency as computed under the rule.

The state court decree was issued in January 1958 and permanently enjoined Securities Distributors from engaging in the purchase and sale of securities or commodities within and from the State of New York; from writing, publishing, preparing and distributing any letter or any other literature giving advice to the public within the State of New York with respect to the purchase or sale of securities or commodities; and from engaging in the business of broker or dealer in securities within that State. The record supporting the State court order contained an affidavit of a Special Deputy Attorney General of New York charging fraud and deceit by the company and Wurtz in their securities transactions with customers.

The company did not appear at the hearing herein or otherwise contest the charges involved.

CORRECTION. In the SEC News Digest of January 12th, reference was made to Commission approval of the delisting of the common stock of Columbia Title Insurance Company from the Philadelphia-Baltimore Stock Exchange. The text of the item incorrectly identified the company as American Title Insurance Company.

CENTENNIAL FUND II, INC. SEEKS ORDER. Centennial Fund II, Inc., Denver investment company, has applied to the SEC for an order of exemption from a provision of the Investment Company Act; and the Commission has issued an order (Release 40-3178) giving interested persons until February 1, 1960, to request a hearing thereon.

In a registration statement previously filed and now effective, the Fund proposed the public offering to investors of 2,000,000 common shares in exchange for securities held by investors. The purpose of the Fund is to provide investors holding securities at relatively low tax bases with a means of exchanging such securities for shares of the Fund, thereby obtaining diversification without incurring any Federal capital gains tax liability at the time of such exchange. Centennial Management and Research Corporation will solicit deposits of securities, to be held in escrow until March 25, 1961. The minimum deposit to be accepted from any investor is to be securities having a market value of \$25,000; and the exchange will not be consummated unless the market value of the deposited securities as at the effective date of the planned exchange aggregates a minimum of \$10,000,000.

The application seeks an exemption from that provision of the Investment Company Act which provides that an investment company may not make a public offering of securities unless it has a net worth of at least \$100,000.

SEC COMPLAINT NAMES DALE CRIPPEN. The SEC Chicago Regional Office announced January 10th (LR-1887) the filing of a complaint (USDC, Des Moines, I.) charging Dale W. Crippen with fraud in the sale of Mackinac Bridge Authority debentures, West Virginia Turnpike bonds and Illinois Toll Road bonds, interests in a partnership, and shares of stock of July Company and of August Company. A preliminary injunction has been issued by the court; and Crippen was arrested on a criminal complaint, waived a hearing and posted \$10,000 bond.

SEC ORDERS SUSPENSION OF TRADING IN UNITED INDUSTRIAL SECURITIES. The SEC has ordered the suspension of trading in the common and preferred stocks of United Industrial Corporation, of Los Angeles, and in warrants for the purchase of United common, during the ten-day period January 16 to 25, 1961, inclusive. The suspension applies to trading in the preferred and common on the New York and Pacific Coast Stock Exchanges, in the common on the Detroit Stock Exchange, and in the warrants on the Pacific Coast and American Stock Exchanges; and it also applies to trading in all three issues in the over-the-counter market. The New York Stock Exchange suspended trading in the preferred and common on that Exchange. The action followed a company announcement of some \$1,000,000 of write-downs and adjustments on its books and records. (Release 34-6455)

EFFECTIVE SECURITIES ACT REGISTRATIONS: January 17: Restaurant Associates, Inc. (File 2-17298); Texas Eastern Transmission Corporation (File 2-17358); Texas Power & Light Company (File 2-17382).